NYSE: $153.48

Rating: **Sell**
Target: $132.70
Market Cap:
$352.029B

07/03/2026
United Kingdom
Equity Research
Consumer Sector

Procter & Gamble (PG)

Sell, Premium Valuation with Slowing Growth

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Figure 1. Stock Performance

- **Q1 Results:** The Procter and Gamble Company reported a stable quarterly performance with strong pricing and demand for essential consumer goods. However, volume growth was low in several categories, with consumers increasingly opting for private label alternatives to their goods. Despite stable margins due to productivity initiatives and supply-chain efficiencies, declining demand and normalized pricing power imply limited scope for revenue acceleration in the short term.

- **FY26 Guidance:** P&G expects its organic sales growth to be in the low single-digit range for the fiscal year 2026, indicating steady growth in consumer staples but not much growth in mature markets. The company also expects to face continued costs related to commodities, currencies, and supply chain actions. Although productivity actions may mitigate some of the costs, the trend suggests a steady growth rate in earnings.

- **Catalysts:** The key catalysts for the company include continued product innovation, growth in emerging markets, and ongoing productivity initiatives to improve operational efficiency. On the other hand, the potential negative catalysts for the company include weakening consumer trends, growing competition from private-label brands, and economic concerns in key international markets like China.

- **Target Price Justification:** Our target price of $132.7 per share is calculated on the basis of relative valuation compared to peers such as Unilever, Colgate-Palmolive, and Johnson & Johnson. Even though the profitability and brand strength of P&G are excellent, the stock is currently trading at a premium compared to its peers on the basis of similar growth prospects. This means that the stock's price currently reflects most of its future growth potential.

Financial Metrics

EPS Metrics	24-Dec	25-Dec	26-Dec	27-Dec
EPS (Basic)	6.02	6.51	6.02	6.62
Basic Shares (millions)	2360.00	2350.00	2350.00	2350.00
EPS (Diluted)	6.02	6.51	5.77	6.34
Diluted Shares (millions)	2472.00	2454.00	2454.00	2454.00

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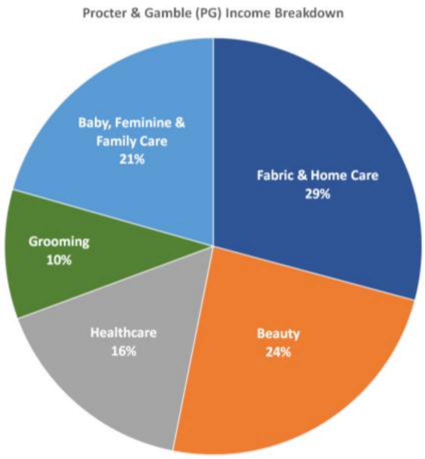
Company Overview

Procter & Gamble is a multinational consumer goods corporation headquartered in Cincinnati, Ohio, USA, with an emphasis on integrated strategy, representing a portfolio of daily-use categories where performance drives choice, that is key for achieving the "irresistible superiority" of their products. P & G's main goal is the improvement of consumer lives through sustainable high quality superior products, supported by an annual $2 billion investment in R&D, $400 million in consumer research. P & G annually invests $8 billion in brand building, focusing on ROI, with increased targeting Gen Z and Millennials.

P & G maintains a massive global footprint operating in 70 countries, with products sold in about 180 nations. It has invested $500 million into the development of two production plants in Hungary, its fastest-growing sites in Europe. In Asia, the company invested $312.8 million for the expansion of its shaver and razor production in Vietnam and $100 million into a digital innovation centre in China. P & G aims to expand its production plants across Africa, investing $200 million in Nigeria and $175 million in South Africa.



Sustainability is essential for P & G. The company aims to achieve net-zero greenhouse gas emissions across its supply chain by 2040. Key 2030 goals, include 100% recyclable or reusable packaging and renewable electricity, a 50% reduction in virgin petroleum plastic. P & G aims to achieve these goals, by reducing their own and their consumer impact. They collaborate with some of the leading sustainability organizations like WWF and Arbor Day Foundation, to further develop their sustainable strategy.

Strategically, P & G maintains financial flexibility, through a conservative capital structure and diversified debt instrument, including commercial papers and callable notes across the US and European markets. The company maintains a strong focus on generating high returns on capital.

However, there are areas of caution that investors and stakeholders should monitor. The company's liquidity ratio has shown a volatile downward trend, remaining below 1.0, indicating potential liabilities in meeting short-term obligations. The company has faced criticism regarding its supply chain, including allegations of forced labour in the palm oil supply chain and failure to align with certain climate targets. The company expects $400 million after-tariff cost for fiscal 2026.

Overall, Procter & Gamble's integrated approach in global expansion, sustainability and marketing strategies positions it as a resilient and forward-thinking leader in the broader consumer sector.

Consumables Industry Analysis

Porter's Five Forces – Household & Personal Care Industry

Threat of New Entrants – Low

Global leaders like P&G, Unilever, and Colgate spend a lot of money annually on promotional activities like advertising, strong brand equity and new entrants struggle to match. Entering this branded consumer staples market is very difficult because of the very high scale requirements in manufacturing, marketing, and distribution. Large companies benefit by procuring economies in packaging, chemicals and logistics, meaning new entrants face high costs. Entry barriers have been reduced with the help of digital channels, but to scale from niche online into a mass-market penetration still needs a good investment, keeping the entry threat low.

Bargaining Power of Suppliers – Low to Moderate

Petrochemical derivatives, pulp, fragrances and packaging is sourced by a diversified global supplier base in P&G. In company, pricing power of suppliers is reduced, inputs are standardised and allowing multi-sourcing. However, input prices can spike due to energy costs exposure and concentration in speciality chemicals as seen in 2022-24 inflation. The company has offset tense situations through reformulations, productivity initiatives and selective price increases, limiting long-term impact on profitability.

Bargaining Power of Buyers – High

Large Retailers like Amazon, Walmart are highly consolidated and use their company scale to negotiate trade terms and push private-label alternatives at 20-40% lower prices. As consumer seek deals of over 50% on items, tends brand owners to offer frequent discounts. P&G can pass through the price increases supported by innovation with their brand loyalty in items like diapers, detergents and grooming, plus low-ticket prices.

Threat to Substitutes – High

Functional substitutes exist across categories (store brands vs. branded detergents, reusable vs. disposable products). Private-label brands offering acceptable quality at 20-40% lower prices pressurizes the company. Minimalist and eco-lifestyle trends encourage reduced usage or refill systems. As P&G products serves everyday necessities limiting true substitution; the risk is more between brand-to-brand switching.

Industry Rivalry - High

Driven by slow volume growth and high brand proliferation, competitive rivalry is intense. P&G faces major clash from competitors and regional brands. High fixed costs encourage aggressive share defence through promotions and innovation. Despite all these leaders try to maintain the margins through premiumization and productivity programs.

PESTLE Analysis – Global Household & Personal Care Environment

Political

Due to regulatory and trade policy developments the industry is highly exposed. Government agencies tend to make it difficult by strict rules on chemicals, labelling and safety, increasing costs but raising entry barriers. Sourcing items and supply chains, prompting regionalized manufacturing is affected by geopolitical tensions and trade arrangements. Consumer protection authorities scrutinize pricing behaviour, especially during inflation, constraining price increases.

Economic

Volume remains resilient as the products like detergent and diapers are non-discretionary, but consumers trade down when incomes are pressured. After recent inflation between 2022-2024, wage costs and commodity remain structurally higher than pre-pandemic, requiring productivity actions. While emerging markets offer higher growth due to rise in income, urbanisation and brand penetration, developed markets show low single-digit growth.

Social

Consumers increasingly prioritize health, hygiene, and wellness post-pandemic, sustaining demand for cleaning and skincare products. Rising concern about ingredient safety and ethical behaviour boosts demand for clean dermatologically tested and ethically sourced products. Diverse needs from incontinence care to baby products is created when demographic shifts-ageing populations in developed markets and growth of middle class in emerging markets.

Technological

Superior performance and sustainability innovations is enabled when there are advances in chemistry and material science. Digitalization transforms go-to-market: AI and analytics support personalized marketing and faster innovation, while e-commerce has become a critical channel. Productivity is enhanced and resilience in supply chain when automation and smart manufacturing is done.

Legal

P&G operates under strict frameworks for product safety, labelling, advertising, and data privacy. EU regulators also force reformulations by tightening the rules on chemicals. Marketing claims face increasing scrutiny, with enforcement against "greenwashing" raising legal risks. Now compliance with labour, human-rights, and responsible-sourcing regulations across global supply chains is a must requirement for companies.

Environmental

Industry reshaping is done when environmental expectations are met. Companies get pressurized by consumers and investors to improve recyclability, reduce plastic and cut emissions. Markets introduce extended producer responsibility schemes and single-use plastic restrictions, driving innovation costs. P&G has set sustainability targets (carbon reduction, renewable energy, responsible sourcing) using eco-designed products, refills, and concentrated formats to capture share from competitors lagging on ESG metrics.

Macro Outlook

Procter & Gamble's economic performance is closely linked to the macroeconomic environment in its major geographic regions, including the United States, Europe, China, and other major emerging markets. The company's major contributor to its revenue comes from the North American region, which accounts for more than half of its overall sales. Among the countries, the United States represents the most significant market for Procter & Gamble. This region enjoys a relatively stable macroeconomic environment with high consumer spending, loyalty to brands, and a high need for premium household and personal care products. However, the company's growth rate in this region is relatively low due to its maturity and high penetration. In addition, the recent surge in inflation has prompted consumers to opt for private-label products sold by large retailers, which are relatively cheaper.

In the European region, another significant operating region of the company, the economic environment is stable, though the growth prospects are relatively low due to the slow growth in GDP and mature consumer goods markets in Germany, France, and the UK. High bargaining power of the retailers and high competitive intensity in the fast-moving consumer goods industry could be challenges in managing pricing, despite the company's strong portfolio of brands and established market presence. The Chinese market is an important growth driver for the company in the beauty and baby care businesses, though the uncertain economic environment and shifting consumer sentiment have slowed demand growth, despite positive premiumization trends.

The emerging markets of Latin American countries and Asia Pacific possess greater long-term growth opportunities, driven by rising disposable incomes and the expansion of the middle-class population. However, these markets also pose a risk of currency volatility, inflation, and political factors, which could impact the company's profitability and pricing power. While the diversified presence of the company acts as a buffer for the company to mitigate the effects of a slowdown in the economies of various regions, the company's overdependence on developed markets and the lack of significant volume growth in the current macro-economic scenario imply a lack of acceleration in revenue growth. Therefore, the current valuation of the company reflects stronger growth prospects than the current macro-economic scenario of the world, implying the stock to be slightly overvalued.

Financial Summary

Revenue Growth Analysis
Procter & Gamble has delivered a moderate top-line growth, with revenue rising from $70.95 bn in 2020 to $84.28 bn in 2025, implying a 5-year CAGR of roughly 3.5%.

Historical Revenue Performance

Fiscal year	Total Revenue (USD bn)	YoY Growth %
2020	$70.95	
2021	$76.12	+7.28%
2022	$80.19	+5.35%
2023	$82.01	+2.27%
2024	$84.04	+2.48%
2025	$84.28	+0.29%

Nonetheless, the year-over-year performance is demonstrating a steadily declining growth in line with Covid-19 and the post-pandemic business landscape. Year-over-year growth rates included 4.83% in 2020, an increase to 7.28% in 2021, further growing to 5.35% in 2022, easing to 2.27% in 2023 and slightly increasing to 2.48% in 2024. In the most recent 12 months, the company registered revenue of about $84.28 billion, showing a year-over-year growth of approximately 0.29%.

Key Financial Ratios Analysis

Liquidity Ratio Analysis
Procter & Gamble has a similar liquidity to many companies in the consumer staples sector, with maintaining stability amid volatility, it should be noted that its liquidity is on a downward trend.
Additionally, its current ratio is less than 1, meaning Procter & Gamble may have trouble meeting its short-term liabilities. This could indicate the future need for additional financing, but due to their capital structure focusing on predictable cash flows and strong creditworthiness, they can more safely operate with lower liquidity ratios than the traditional benchmark. In addition, Procter & Gamble maintains a significant cash balance of around $9-11billion USD in cash and equivalents, providing an important liquidity buffer that allows them to meet short-term obligations.

Asset Management Ratios
Procter & Gamble holds inventory for a moderate period compared with other consumer goods companies, due to the nature of its vast portfolio of household and personal care products. Its product turnover is stable, due to its products such as health and grooming products, being fast-moving consumer goods with consistent demand. Its relatively steady turnover can be primarily attributed to the strong brand portfolio and well-established global distribution network, enabling efficient movement of products through retailers. However, longer periods of inventory holding are likely to increase logistics and operations costs. The risk of product obsolescence and shift in consumer demand, is also likely due to long inventory holding period. Nonetheless, P & G's overall strong supply chain and consistent sale volumes,

strongly indicates, its asset management approach supports stable operations and reliable product availability.

Debt Management Ratio

The company overall maintains a balanced and stable approach to its capital structure, compared to some of its competitors like Colgate, Kimberly-Clark and considerably similar to Unilever. P & G does moderately utilise debt financing, its debt-to-equity and debt ratios still remain at a moderate level. In addition, the company's strong and consistent flow allows them to take additional debt, if necessary, without increasing its financial risk. Such position allows the company to maintain solid financial flexibility, which allows for an advantageous position when funding strategic initiatives, acquisitions, or operational investments.

Profitability ratios

Procter & Gamble's profitability ratio's a stable profit generation, compared to its aforementioned competitors of Colgate, Unilever and Kimberly-Clark. The company's relatively high gross and operating margins are mostly due to its portfolio of globally recognised brands and its ability to control premium pricing across many products. Such layout allows Procter & Gamble to generate stable earnings even in periods of relative economic uncertainty.

Market Value Ratios

The company maintains strong earnings per share relative to its competitors, alongside a relatively high price-to-earnings (P/E) ratio and a solid book-to-market ratio, which overall supports strong market confidence in the company's future performance.
An advantage becomes apparent when compared with Procter & Gamble's key competitors, as the investors are generally willing to pay a higher price for each dollar of earnings generated by P & G, reflecting a high confidence in the company's strong brand portfolio, reliable dividend growth and consistent profitability. This is primarily attributed to the company's greater product diversification and long-term earnings stability, which boosts investor confidence.

Valuation

Our Relative Valuation analysis yields an intrinsic value of approximately $132.7 per share, versus a current market price of around $153.48, implying a valuation gap of 14%. Such a spread strongly suggests that the share is overvalued.

Because the current market price considerably exceeds the implied derived value, there is effectively no margin of safety for new investors, and the potential for short-term upside appears quite limited. The current valuation implies that much of the company's expected future performance appears to be already incorporated into the share price, increasing the risk of a valuation correction should growth expectations weaken. A strong revenue growth, stable profitability, and a dominant position within the sector mean that it may already be reflected in the market valuation. Based on the valuation estimates, the shares are overpriced at the current levels, suggesting that investors may be paying a premium for the company's strong reputation.

Sr No	Comparables	Market Price	Market Capital ($ millions)	Enterprise Value ($ millions)	Revenue ($ millions)	EBITDA ($ millions)	PAT ($ millions)	EV/Sales	EV/EBITDA	P/E
1	**Unilever**	67.52	147,746	156,516.00	57,139.00	11,424.53	7,028.00	2.739215	13.7	22.71
2	**Colgate-palmolive**	93.37	74,833	70,290.00	20,382.00	4,807.80	2,261.00	3.448631	14.62	22.13
3	**Johnson & Johnson**	236.56	569,556	533,050.00	94,200.00	40,352.01	26,804	5.658705	13.21	20
	Mean							**3.94885**	**13.843333**	**21.6133**
	Median							**3.44863**	**13.7**	**22.13**

I. Relative Valuation on the basis of Sales Multiple

Particulars	**Sales**	**Multiple**	**Value**
FY2023	84,284.00	3.448631145	
Enterprise Value			290664.4274
Less: Debt			24,995.00
Add: Cash & Cash Equivalents			9,556
Equity Value			**275,225.43**

II. Relative Valuation on the basis of EBITDA Multiple

Particulars	**EBITDA**	**Multiple**	**Value**
FY2023	24,045.00	13.7	
Enterprise Value			329416.5
Less: Debt			24,995.00
Add: Cash & Cash Equivalents			9,556
Equity Value			**313,977.50**

III. Relative Valuation on the basis of P/E Multiple

Particulars	**PAT**	**Multiple**	**Value**
FY2023	16,065.00	22.13	
Equity Value			**355,518.45**

IV. Relative valuation

Particulars	**Equity Value**
EV/Sales Multiple	275,225.43
EV/EBITDA Multiple	313,977.50
P/E Multiple	355,518.45
Average	**314,907.13**
Shares Otd	2373
Intrinsic Price	**132.704225**

DCF Model

Cost of Capital

US consumer staples market return	
2025	-10.20%
2024	15.60%
2023	-4.20%
2022	10.80%
2021	18%
	6.00%

Cost of Equity

Risk free Rate	3.95%	
Market Return	6.00%	
Beta of P&G	0.77	alphaspread.com
Ke	**5.53%**	

Cost of Debt

Interest rate	4.48%
Tax rate	21%
Kd	**3.54%**

		Weights	Cost
Total Equity	52,284	0.67656155	5.53%
Total debt	24,995	0.32343845	3.54%
	77,279		4.89%

WACC	**4.89%**

Risk free rate	3.95%
Ke	5.53%
Terminal growth rate	3.95%

Year	**Dividend**	**Disc Factor**	**PVCF**
1	$8,539	0.947611309	$8,091
2	$9,381	0.897967193	$8,424
3	$10,308	0.850923867	$8,771
4	$11,307	0.806345079	$9,117
5	$12,390	0.764101716	$9,467
Terminal Value	$815,933.57	0.764101716	$623,456
			$667,327

Total no of shares	2,373.00	million

Value per share	**$281.22**
Current Market Price as of 7th March	$153.48

Valuation

Potential reason for the stock price to decline:

1. Slowing Organic Sales Growth
Procter & Gamble's sales growth is likely to remain subdued, at low single digits, over the near term. As the stock already reflects a premium valuation compared to its peers, such as Unilever and Colgate-Palmolive, a dip in sales could impact the stock's rating.
2. Down-Trading of Consumers to Private Label Brands
High inflation and reduced consumer spending power could prompt consumers to switch to cheaper private-label brands. As the company sells its products at premium prices, a down-trade to private label brands could impact its sales volumes.
3. Weak Volume Growth in Key Segments
Flat or declining volume growth in several of its categories implies that the revenue growth achieved by the company over the last several quarters has been driven by price rather than volume. If the company fails to maintain its pricing power, its revenue growth could slow down.
4. Increasing Input Costs and Pressures on Tariffs
The firm also has to contend with increasing input costs, which may impact its margins. Increasing prices to pass on these costs to consumers may further negatively impact demand.
5. Slower Growth in International Markets
Demand in important markets like China and emerging markets in Asia remains uncertain. This makes the firm increasingly dependent on the North American market, which limits its growth prospects.

Investment Thesis

We initiate coverage of Procter & Gamble with a sell rating and an intrinsic value of $132.7, showing a 13.5% discount to the present current share price of $153.48. Our negative view is driven by three factors:

- **Premium valuation amid slowing down growth:** P&G trades at elevated multiples versus peers despite slow organic sales growth and volume pressures increasing from private label competition.
- **Geographic headwinds and margin compression:** Currency headwinds and rising operating expenses pressure profitability as Greater China sales are declining amid weakening consumer confidence.
- **Restructuring uncertainty:** The planned workforce reduction program creates near-term earnings volatility and execution risks that may offset projected cost savings.

Despite P&G's strong brand equity and market leadership, the current market price fails to adequately reflect mounting operational challenges and slowing growth prospects. We believe the risk-reward profile is unfavourable, and near-term catalysts, including potential earnings disappointments, further China weakness, and margin compression, support a Sell recommendation, as shares are trading at a 13.5% premium to intrinsic value.

Investment Risks

- **Stronger pricing power than anticipated:** If P&G is successful in maintaining its pricing power, it could lead to a better valuation of its shares.

- **Successful innovation and premiumization strategy:** The company is a heavy investor in brand building and R&D. If product innovations are successful in strengthening consumer demand, it would help P&G retain its premium status.

- **Rising growth rates in emerging markets:** The improving economic situation in emerging markets such as China, India, and Latin America could help these markets grow at a faster rate than anticipated.

- **Cost reductions and productivity improvements:** The productivity initiatives and supply chain optimisation programs implemented by P&G's management might result in greater-than-expected cost savings.

- **Defensive characteristics in an economic downturn:** P&G is a consumer staples company and hence benefits from the defensive nature of consumer staples stocks. During economic slowdowns, investors might prefer to buy defensive stocks, which might be favourable for P&G's stock valuation.

Final Recommendation

As we can see, there is a significant gap between the intrinsic value estimate and the price of the shares, therefore, it is recommended that we sell these shares because there is a good chance that the price of these shares will decrease, and we can buy them later at a low price.

As we can see from the calculation of the discounted cash flow, there is a little margin of safety available to us to continue holding these stocks at a price of $153.48. The margins of safety available to us are around -14.4% in terms of re-rating via the multiple. There is little room available to us to achieve future outperformance based on re-rating. The fundamental position of the company is good in terms of revenue growth, good margins, and good cash flows, which is helping to support the investment case on an operations basis. The price of the shares is correctly reflecting the competitive advantage and future growth visibility of the company.

Appendix

Financial Model

Income Statement	21-Dec A	22-Dec A	23-Dec A	24-Dec A	25-Dec A	26-Dec E	27-Dec E	28-Dec E	29-Dec E	30-Dec E
Revenue From Operations	76118.00	80187.00	82006.00	84039.00	84284.00	91650.4	99642.3	108421	117843	127941.71
Other Income	618.00	574.00	677.00	923.00	947.00	1064.81	1197.28	1346.22	1513.7	1702.01
Total Revenue	76736.00	80761.00	82683.00	84962.00	85231.00	92715.2	100840	109767	119356	129643.72
EXPENSES										
COGS	36974.00	41975.00	42600.00	40600.00	41014.00	45910.1	49933.1	54353.8	59102.1	64196.16
Depreciation & Amortisation	2753.00	2807.00	2714.00	2896.00	2847.00	3181.16	3324.05	3479.16	3639.47	3786.87
SG&A Expense	20552.00	20299.00	21049.00	23241.00	22564.00	24329.1	26460.3	28802.9	31319.1	34018.51
Finance Costs (Interest Expense)	502.00	439.00	615.00	1045.00	1031.00	752.74	761.85	771.06	780.39	789.84
Other Expenses (Unusual + Non-Operating)	1138.00	104.00	373.00	1788.00	924.00	996.99	1083.55	1179.48	1282.52	1393.06
Total Expenses	60204.00	62818.00	64637.00	66674.00	66833.00	75170.1	81562.9	88586.3	96123.6	104184.44
PROFITABILITY	21-Dec	22-Dec	23-Dec	24-Dec	25-Dec	26-Dec	27-Dec	28-Dec	29-Dec	30-Dec
Profit Before Tax (PBT)	17615.00	17995.00	18353.00	18761.00	20167.00	17545.1	19276.7	21180.7	23232.7	25459.27722
Tax Expenses	3263.00	3202.00	3615.00	3787.00	4102.00	3387.63	3721.97	4089.59	4485.8	4915.703721
Profit After Tax (PAT)	14352.00	14793.00	14738.00	14974.00	16065.00	14157.47	15554.76	17091.12	18746.92	20543.5735

Amounts in millions; As of June 30	21-Dec A	22-Dec A	23-Dec A	24-Dec A	25-Dec A	26-Dec E	27-Dec E	28-Dec E	29-Dec E	30-Dec E
Cash and Cash Equivalents	10,288	7,214	8,246	9,482	9,556	8,600	7,740	6,966	6,269	5,642
Accounts Receivable	4,725	5,143	5,471	6,118	6,185	6,653	7,156	7,697	8,279	8,905
Materials and Supplies	4,725	2,168	1,863	1,617	2,022	2,197	2,387	2,593	2,817	3,061
Work in process	719	856	956	929	1,012	1,096	1,187	1,286	1,393	1,234
Finished goods	719	3,900	4,254	4,470	4,516	4,844	5,192	5,559	5,947	6,357
Total Inventories	719	6,924	7,073	7,016	7,551	8,029	8,537	9,115	9,691	10,304
Prepaid expenses and other current assets	719	2,372	1,858	2,095	2,100	2,094	2,088	2,082	2,076	2,070
Total Current Assets	23,091	21,653	22,648	24,709	25,392	33,513	34,287	35,298	36,472	37,573
Property, plant and Equipment, net	21,686	21,195	21,909	22,152	23,897	24,595	25,313	26,052	26,812	27,594
Goodwill	40,924	39,700	40,659	40,300	41,650	42,004	42,361	42,721	43,084	43,450
Trademarks and other intangible assets, net	23,642	23,679	23,783	22,047	21,910	21,548	21,192	20,842	20,498	20,160
Other noncurrent assets	9,964	10,981	11,830	13,158	12,381	4,774	4,558	4,139	3,578	3,101
Total Assets	119,307	117,208	120,829	122,370	125,231	126,434	127,711	129,052	130,444	131,878
Liabilities and Shareholder's Equity										
Current Liabilities										
Accounts payable	13,720	14,882	14,598	15,364	15,227	15951.81	16711.11	17506.56	18339.87	19212.85
Accrued and other liabilities	10,523	9,554	9,554	11,073	11,318	11656.41	12004.93	12363.88	12733.56	13114.3
Debt due within one year	8,889	8,645	10,229	7,191	9,513	9209.535	8915.751	8631.339	8355.999	8089.443
TOTAL CURRENT LIABILITIES	33,132	33,081	35,756	33,627	36,058	36817.7	37631.8	38501.8	39429.4	40416.6
LONG-TERM DEBT	23,099	22,848	24,378	25,269	24,995	25297.44	25603.54	25913.34	26226.89	26544.24
Deferred Income Taxes	6,153	6,809	6,478	6,516	5,774	5692.009	5611.183	5531.504	5452.957	5375.525
Other noncurrent liabilities	10,269	7,616	7,152	6,398	6,120	5428.44	4815.026	4270.928	3788.313	3360.234
TOTAL LIABILITIES	72,635	70,354	73,764	71,811	72,946	73235.64	73661.5	74217.6	74897.6	75696.6
Convertible Class A preferred stock	870	843	819	798	777	753.69	731.0793	709.1469	687.8725	667.2363
Common stock stated value $1 per share	4,009	4,009	4,009	4,009	4,009	4,009	4,009	4,009	4,009	4,009
Additional paid-in capital	64,848	65,795	66,556	67,684	68,770	69732.78	70709.04	71698.97	72702.75	73720.59
Reserve for ESOP debt retirement	-1,006	-916	-821	-737	-672	-614.006	-561.018	-512.602	-468.364	-427.944
Accumulated other comprehensive loss	-13,744	-12,189	-12,220	-11,900	-12,143	-11,339	-10,535	-9,731	-8,927	-8,123
Treasury stock, at cost (held 2020-2030)	-114,973	-123,382	-129,736	-133,379	-138,702	-146608	-154965	-163798	-173134	-183003
Retained earnings	106,374	112,429	118,170	123,811	129,973	136991.5	144389.1	152186.1	160404.1	169066
Noncontrolling interest	276	265	288	272	272	272	272	272	272	272
TOTAL SHAREHOLDERS' EQUITY	46,654	46,854	47,065	50,559	52,284	53197.99	54049.52	54833.95	55546.28	56181.08
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	119,307	117,208	120,829	122,370	125,231	126433.6	127711	129051.5	130444	131878

Amounts in millions; fiscal years ended June 30	2021 A	2022 A	2023 A	2024 A	2025 A	2026 E	2027 E	2028 E	2029 E	2030 E
CASH BEGINNING OF YEAR	$16,181	$10,288	$7,214	$8,246	$9,482	9556	9331.6878	11308.7643	12343.3702	14717.2184
OPERATING ACTIVITIES										
Net earnings	$14,352	$14,793	$14,738	$14,974	$16,065	14157.47	15554.759	17091.1204	18746.9249	20543.5735
Depreciation and amortization	$2,735	$2,807	$2,714	$2,896	$2,847	3181.1616	3324.048	3479.1619	3639.46959	3786.87277
Loss on early extinguishment of debt	$512	—	—	—	—	—	—	—	—	—
Share-based compensation expense	$540	$528	$545	$562	$476	$530	$528	$528	$525	517.53472
Deferred income taxes	($258)	($402)	($453)	($244)	$149	($82)	($81)	($80)	($79)	($77)
Loss/(gain) on sale of assets	($16)	($85)	($40)	($215)	$755	—	—	—	—	—
Indefinite-lived intangible asset impairment charge	—	—	—	$1,341	—	—	—	—	—	—
Change in accounts receivable	($342)	($694)	($307)	($766)	$45	$468	$503	$541	$582	$626
Change in inventories	($309)	($1,247)	($119)	($70)	($324)	($414)	($435)	($272)	($303)	($350)
Change in accounts payable	—	—	$447	$878	($542)	$725	$759	$795	$833	$873
Change in accounts payable and accrued and other liabilities	$1,391	$1,429	—	—	—	—	—	—	—	—
Change in other operating assets and liabilities	($369)	($635)	—	—	—	—	—	—	—	—
Other	$135	$229	$217	$491	($1,653)	($116)	($166)	($246)	($338)	($504)
TOTAL OPERATING ACTIVITIES	$18,371	$16,723	$16,848	$19,846	$17,817	$18,450	$19,987	$21,838	$23,607	$25,416
INVESTING ACTIVITIES										
Capital expenditures	($2,787)	($3,156)	($3,062)	($3,322)	($3,773)	($3,220)	($3,307)	($3,337)	($3,392)	($3,406)
Proceeds from asset sales	$42	$110	$46	$346	$107	$130	$148	$155	$177	$144
Acquisitions, net of cash acquired	($34)	($1,381)	($765)	($21)	($11)	($442)	($524)	($353)	($270)	($320)
Other investing activity	($55)	$3	$281	($507)	($141)	($84)	($90)	($108)	($186)	($122)
TOTAL INVESTING ACTIVITIES	($2,834)	($4,424)	($3,500)	($3,504)	($3,818)	($3,616)	($3,772)	($3,642)	($3,670)	($3,704)
FINANCING ACTIVITIES										
Dividends to shareholders	($8,263)	($8,770)	($8,999)	($9,312)	($9,872)	($8,539)	($9,381)	($10,308)	($11,307)	($12,390)
Additions to short-term debt with original maturities of more than three months	$7,675	$10,411	$17,168	$3,528	$8,020	$9,360	$9,697	$9,555	$8,032	$8,933
Reductions in short-term debt with original maturities of more than three months	($7,577)	($11,478)	($13,031)	($7,689)	($6,512)	($9,257)	($9,593)	($9,217)	($8,454)	($8,607)
Net additions/(reductions) to other short-term debt	($3,431)	$917	($3,319)	$857	($1,138)	($1,223)	($781)	($1,121)	($681)	($989)
Additions to long-term debt	$4,417	$4,385	$3,997	$3,197	$2,237	$3,647	$3,493	$3,314	$3,177	$3,174
Reductions in long-term debt	($4,987)	($2,343)	($1,878)	($2,335)	($1,977)	($2,704)	($2,247)	($2,228)	($2,298)	($2,291)
Treasury stock purchases	($11,009)	($10,003)	($7,353)	($5,006)	($6,500)	($7,974)	($7,367)	($6,840)	($6,738)	($7,084)
Impact of stock options and other	$1,644	$2,005	$1,269	$1,905	$1,707	$1,706	$1,718	$1,661	$1,739	$1,706
TOTAL FINANCING ACTIVITIES	($21,531)	($14,876)	($12,146)	($14,855)	($14,036)	($14,984)	($14,462)	($15,184)	($16,528)	($17,547)
CHANGE IN CASH	($5,893)	($3,074)	$1,032	$1,235	$75	($150)	$1,753	$3,012	$3,408	$4,165
CASH END OF YEAR	$10,288	$7,214	$8,246	$9,482	$9,556	$9,332	$11,309	$12,343	$14,717	$16,508
SUPPLEMENTAL DISCLOSURE										
Cash payments for income taxes	$3,822	$3,818	$4,278	$4,363	$4,554	$3,388	$3,722	$4,090	$4,486	$4,916

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